

HUD Manufactured Home Dispute Resolution Program Webinar
October 24, 2017
Question and Answer Section

- **Please confirm that you are only implementing the Dispute Resolution program for the first year of ownership, which is pursuant to statute.**

HUD administers the program in accordance with the statute. The statute provides for the timely resolution of disputes between manufacturers, retailers, and installers of manufactured homes for the correction or repair of defects that are reported during the 1-year period beginning on the date of first installation. (24 CFR Part 3288.1) and (42 U.S.C. 5422(c)(12))

- **Is HUD/Savan Group actively soliciting consumer complaints? If so, who are you reaching out to and what is the process you are following for solicitation?**

No, HUD/Savan Group does not solicit consumer complaints.

- **How many disputes has HUD/Savan Group handled this year? How many in past years?**

HUD/Savan Group has handled four mediations in the past calendar year. In total, we have received 13 requests for Dispute Resolution in the past calendar year. Since March 2015, we have handled 12 mediations, and received 32 requests for Dispute Resolution. Processing these complaints has often been extremely time consuming because by the time such complaints are forwarded to HUD for dispute resolution processing, the homeowner has many unresolved issues.

- **What is the allocation of OMHP resources to this program, in terms of time, staffing, and cost? How does this compare to resources (time, staffing, costs) for implementing recommendations of the MHCC?**

OMHP has staff dedicated to overseeing this regulatory requirement. OMHP has also contracted with Savan Group as allowed under the Manufactured Housing Construction and Safety Standards Act to assist with the administration of the dispute resolution program.

- **What are some of the complaints to date? What is the timeline to resolve?**

See slide 15 of the presentation for types of issues reported to the program. Per 3288.35, parties are allowed 30 days from the commencement of the mediation to reach a mediated settlement. For mediations involving defects that appear to present an unreasonable risk of injury, death, or significant loss or damage to valuable personal property, the parties have a maximum of 10 days from the commencement of the mediation to reach a settlement. (24 CFR Part 3288.35)

- **How much is the Savan Group contract per year?**

As allowed under the Manufactured Housing Construction and Safety Standards Act, OMHP has contracted with Savan Group to assist with the administration of the Dispute Resolution Program. OMHP recognizes the importance of transparency and will consider a Freedom of Information Act (FOIA) request in so far that trade secrets and commercial or financial information are also protected.

- **Is there a prescribed wording for the Notice to Consumer at the time of sale for DRP?**

Yes. At the time of signing a contract for sale or lease for a manufactured home, the retailer must provide the purchaser with a retailer notice. This notice may be in a separate document from the sales contract or may be incorporated clearly in a separate section on consumer dispute resolution information at the top of the sales contract. The notice must include the following language:

The U.S. Department of Housing and Urban Development (HUD) Manufactured Home Dispute Resolution Program is available to resolve disputes among manufacturers, retailers, or installers concerning defects in manufactured homes. Many states also have a consumer assistance or dispute resolution program. For additional information about these programs, see sections titled "Dispute Resolution Process" and "Additional Information - HUD Manufactured Home Dispute Resolution Program" in the Consumer Manual required to be provided to the purchaser. These programs are not warranty programs and do not replace the manufacturer's, or any other person's, warranty program. (24 CFR Part 3288.5)

- **Will this presentation be available after?**

Yes, the presentation is posted on the HUD DRP website, www.huddrp.net, under the 'Events' section. You can also listen to the recording of the presentation if you or any of your colleagues missed the webinar.

- **What do you do if you suspect illegal set ups?**

Any retailer that sells into a HUD-administered installation state must follow all the reporting requirements for the HUD Installation Program, specifically completion of the HUD 305 and 306 Forms. All states, regardless of who has oversight of the program, require an installer license. Inspection requirements vary by state unless they fall under HUD jurisdiction, which requires 100% inspections. HUD looks into cases of wrongdoing when reported so we encourage everyone in the industry to report any illegal or unethical activity.

- **With the increased presence of On-line "retailers", what are their reporting requirements if they sell into HUD installation states. I have heard from consumer that these retailers simply tell the consumer some states may require licensing and inspections and some states don't. They seem to be deceiving consumers. Is anyone checking into their business practices?**

When illegal installations are suspected those homes will be subject to a HUD monitoring inspection plus research into the circumstance of the installer, retailer, etc. Installations found to be in violation of federal regulations are required to be brought into compliance. If the homes are not repaired and properly inspected, the parties involved face both civil and criminal penalties pursuant to 24 CFR Part 3286.703.